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FAMILY ECONOMICS REVIEW

Consumer and Food Economics Research Division, Agricultural Research Service,
UNITED STATES DEPARTMENT OF AGRICULTURE

A quarterly report on current developments in family and food economics and economic aspects of home management, prepared for home economics agents and home economics specialists of the Cooperative Extension Service.

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REGIONAL DIFFERENCES IN INCOME, SAVINGS, AND EXPENDITURES OF FARM FAMILIES

The average income after taxes of farm families in 1961 varied from \$3,600 in the South to \$6,150 in the West (table 1).¹ Income in the South was 19 percent below the \$4,400 average of all U.S. farm families, in the West 39 percent above the average. The North Central and Northeastern regions were relatively close to the national average—10 and 14 percent above it—with average income per family of \$4,900 and \$5,050,¹ respectively.

Table 1.—Average income, outlays, and selected characteristics of farm families in the United States and four regions, 1961

Item	United States	West	North-east	North Central	South
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Income after taxes	4,424	6,149	5,057	4,878	3,592
Other receipts	98	119	93	125	71
Total outlays	4,533	6,285	5,129	4,974	3,717
Net change in assets and liabilities (savings)	519	1,006	611	709	243
Personal insurance	200	302	227	230	149
Gifts and contributions	220	455	238	224	168
Expenditure for current consumption	3,594	4,522	4,053	3,811	3,157
Account balancing difference ¹	-10	-17	21	29	-55
Characteristics of families:					
Average family size ²	3.8	3.8	3.7	3.9	3.7
Average number of children under 18 years	1.5	1.6	1.4	1.6	1.4
Percent homeowners, all year	71	81	79	71	68
Percent auto owners, end of year	91	97	95	96	85
Percent with persons 65 years and over	25	23	26	20	29
Percent with self-employed head	69	81	68	78	59
Number in sample	1,967	155	145	742	925

¹ The difference between reported total receipts and reported total outlays. Negative when outlays exceed receipts.

² In year-equivalent persons.

The regions differed considerably in the pattern of their outlays² as well as their incomes. The Western region saved³ a larger proportion than any other region—16 percent—and used a smaller proportion for current living expenses—72 percent (table 2). The high rate of savings in this region is explained in part by the high level of income and the large proportion of self-employed (presumably farm operators) in its farm population. The higher the income level, the larger the proportion of that income families usually put into savings. However, at any income level, self-employed families will save more than those dependent on wages and salaries or other sources of income.

In the North Central region the rate of saving was somewhat lower than in the Western, and a somewhat larger proportion of total outlays went for current living. However, as compared with the Northeastern farm families, the North Central ones saved more and spent less for living (both in actual amount and as a percent of total outlay), even though their average income was lower. This and other data suggest that the North Central region had a better than usual year

¹ These data are from the 1960-61 Consumer Expenditure Survey, a cooperative undertaking of the U.S. Bureau of Labor Statistics and the U.S. Department of Agriculture. Summary data for farm families in 1961 are published by the USDA in Consumer Expenditure Survey Reports 1 (Northeast), 2 (North-Central), 3 (South), 4 (West), and 5 (United States).

² Total outlays rather than income after taxes are distributed here. Income after taxes does not equal total outlays for two reasons: (1) "Windfall" receipts, such as inheritances and amounts received from insurance claims, are not included in income. (2) Reports of receipts and disbursements seldom balance exactly since most families do not have records covering all receipts and disbursements, and must depend to varying extents on memory.

³ As used here saving is a positive net change in assets and liabilities—an increase in assets plus a decrease in liabilities greater than the decrease in assets and increase in liabilities.

Table 2.—*Distribution of total outlays and of expenditures for current consumption of farm families in the United States and four regions, 1961*

Item	United States	West	North-east	North Central	South
	Percent	Percent	Percent	Percent	Percent
Total Outlays -----	100	100	100	100	100
Expenditure for current consumption -----	80	72	79	76	84
Net change in assets and liabilities (savings) -----	11	16	12	14	7
Personal insurance -----	4	5	4	5	4
Gifts and contributions -----	5	7	5	5	5
Expenditure for current consumption -----	100	100	100	100	100
Food -----	24	23	27	24	24
Housing -----	25	25	27	26	24
Clothing -----	12	13	10	12	12
Medical care -----	9	9	7	9	9
Automobile -----	16	15	15	16	18
All other ¹ -----	14	15	14	13	13

¹ Includes tobacco, alcoholic beverages, personal care, recreation, reading, education, transportation other than by automobile, and miscellaneous expenditures.

in 1961 and so families were able to maintain their usual level of living and save at a higher than usual rate.

Farm families in the Southern region, having the lowest average income and the smallest proportion of families who were self-employed, had the lowest savings rate—7 percent—and the highest proportion of outlays spent for current consumption—84 percent.

Families in all four regions spent at about the same rate for personal insurance and for gifts and contributions. Personal insurance averaged 5 percent of total outlays in the Western and North Central regions, 4 percent in the Northeastern and Southern. Gifts and contributions took 5 percent, on the average, in all regions except the Western—where they took 7 percent.

The average amount spent for current consumption differed considerably among the regions. As might be expected, it was highest in the Western region where income was highest. It decreased in the same order that average income and outlay decreased—after the Western, the Northeastern, the North Central, and then the Southern region.

In the Western and North Central regions a new relationship, evident also in all regions in the urban and rural nonfarm populations, appears: Expenditures on housing (including shelter, fuel, utilities, household operation, housefurnishings, and equipment) exceeded expenditures on food for the first time in survey data. In the Northeastern and Southern, housing and food took approximately equal amounts. In past surveys food has always taken a larger part of the budget than any other category. The change indicates a rising level of living, although greater stability in prices for food than for other categories of current consumption is also a contributing factor.

Western farm families used a smaller proportion of their current expenditure for food than did families in any other region. This was to be expected since the proportion spent on food usually declines as total expenditures rise. In line with this and a relatively low level of home production, Southern families might have been expected to spend a larger proportion on food than any other region, but they did not. An average family size below that of all farm families in the United States and a traditional diet that costs less than that of other regions account for the relatively small expenditure for food in their budgets.

Southern and Western farm families spent proportionally less on housing (including all housing items listed above) than did families in the other regions. Climatic demands in these regions tend to be less than in the Northeastern and North Central regions.

The percentage of the budget used for clothing was about the same in all regions except the Northeastern, as was also the percentage used for medical care. The lower percentage in this region may be due to the small size of the sample there.

Expenditures on automobiles took a larger proportion of total expenditures in the Southern than in other regions. In recent years Southern families, behind those in other regions in automobile ownership, have been catching up. Their higher rate of car buying probably explains the larger share of the budget going to automobiles.

DIET QUALITY RELATED TO FOOD EXPENDITURE AND INCOME OF OLDER FAMILIES

To learn more about the dietary problems of older people, the Consumer and Food Economics Research Division, USDA, conducted a food consumption survey of older households in Rochester, N. Y. Those sampled were beneficiaries of Social Security's old-age, survivors, and disability insurance (OASDI) who maintained their own households and ate most meals at home. Each household included a beneficiary at least 65 years old, who lived alone or with one other person at least 55 years of age.

Although the survey showed that many older people selected good diets, quite a number had diets that needed improvement. For example, less than one-half of the households had food supplies that furnished in full the amounts of nutrients recommended by the National Research Council (NRC). One-fourth had diets that failed to meet two-thirds of the NRC allowance in one or more nutrient.

The nutritive quality of the diets of the OASDI families was closely related to their food expenditures. About 80 percent of the households spending more for food than the cost of the USDA liberal food plan had diets meeting the recommended allowances in full. Nearly 60 percent of those spending less than the cost of the low-cost plan had diets that failed to meet even two-thirds of the allowances (figure 1). On the other hand, a few households with liberal food expenditures had poor diets and nearly one-tenth of those with low food expenditures had diets meeting allowances in full. Evidently a nutritionally adequate diet is difficult but not impossible to provide at costs below that of the low-cost plan.

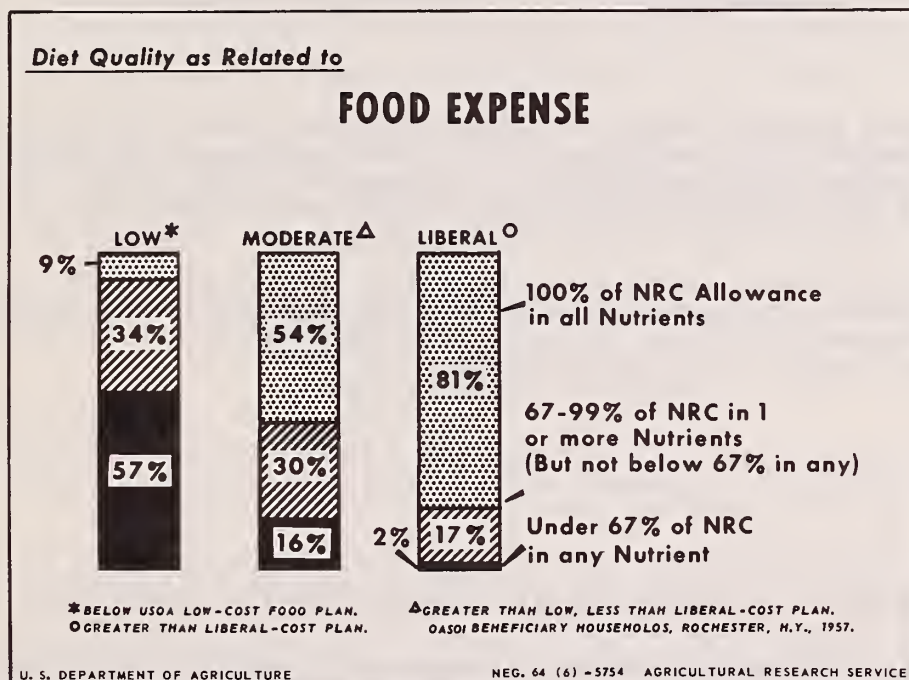


Figure 1.

Diets meeting allowances in full were almost 1½ times as frequent in the high-income households as in the low (fig. 2). In contrast, diets failing to meet even two-thirds of allowances were more than 2½ times as numerous in the low- as the high-income households. The year's income was considered low if it was under \$1,000 for one-person and under \$2,000 for two-person households. It was considered high if it was at least \$2,000 for the one-person and \$3,000 for the two-person households.

Nearly one-half of the low-income households had food costing less than the USDA's low-cost food plan. A fifth of the higher income households, who presumably could have afforded to spend more, were also spending this little.

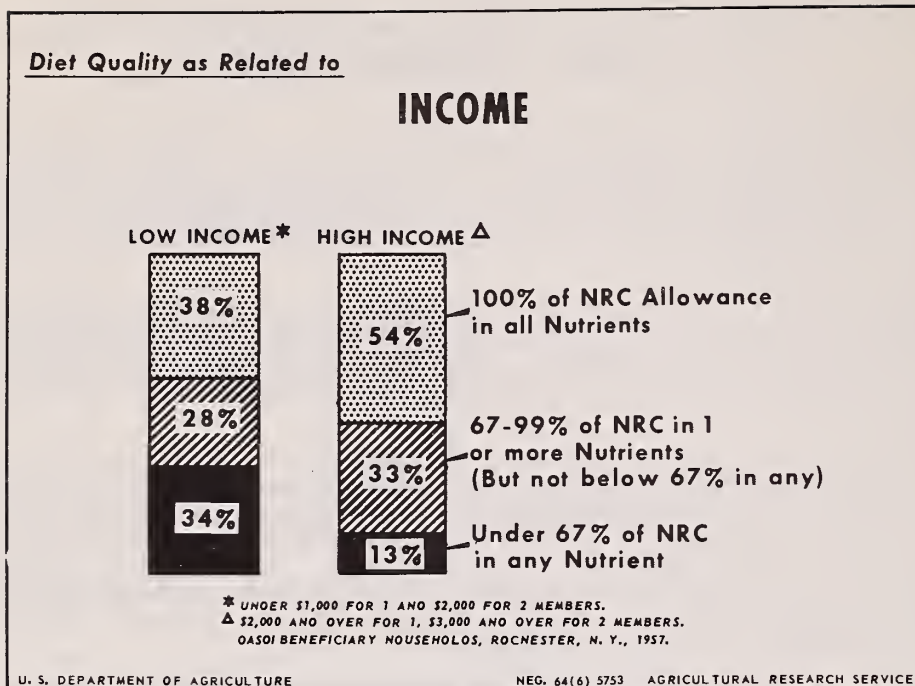


Figure 2.

Thus, it appears that some OASDI households need higher incomes to raise their food expenditures to the level of the low-cost food plan below which an adequate diet is unlikely. Others with seemingly sufficient income need guidance in managing their money to provide enough for food, or need to be convinced that buying and eating nutritionally adequate food is important. Still others spend enough for food, but need help in getting a good nutritional return on their food money.

More data from this survey are published in "Food Consumption and Dietary Levels of Older Households in Rochester, New York," by Corinne LeBovit and Dorothy A. Baker. USDA, Home Economics Research Report No. 25, February 1965.

—Corinne LeBovit

PRICES IN A FOOD STORE GIVING TRADING STAMPS

Economists at the Rhode Island Agricultural Experiment Station recently studied the effect on prices of giving trading stamps at retail food stores.¹ They made a case study of one retail chain food store, in which they compared prices before and after trading stamps were introduced. Prices of 185 items, a representative sample of the dry grocery items in the store, were taken 3 months before and 8 months after the store added stamps. At the end of the period, prices had risen 3.5 percent, on the average, after adjustment for the general rise in dry grocery prices. When the redemption value of the stamps was subtracted, the average price rise was 2.02 percent.

Trading stamps cost the retailer about 2 percent of his gross sales. According to this study, the cost was passed on to the consumer.

¹ Bromley, James D., and Wallace, W. H. "The Effect of Trading Stamps on Retail Food Prices," Contribution No. 1091, R. I. Agr. Exp. Sta., Kingston, R. I. 1965.

USDA NATIONWIDE FOOD CONSUMPTION SURVEY

A nationwide survey of eating habits in the United States is being made by the USDA's Agricultural Research Service. Its purpose is to obtain information about the food consumption patterns of both households and individuals and the nutrient levels of U.S. diets. Information from the survey will be useful, among other things, as a basis for consumer education programs and for farm and food policies.

The most recent previous national survey of household food consumption was made in the spring of 1955. No nationwide survey of the food intake of individuals has ever before been made. The survey of household food consumption—to be made in approximately 15,000 households—will cover four seasons, beginning with spring 1965 and continuing through winter 1966. Plans call for visits to about 7,500 of the households in the spring and 2,500 in each of the other 3 seasons. Data on the diets of individuals—about 13,000 of them—are to be obtained in the spring survey only.

The households selected for interviews will be a representative sample of U.S. housekeeping families in each of the four seasons. The homemakers are being asked to give specific information about every type of food used in the household during the week preceding the interview, including the quantity used, whether the food was purchased or obtained in other ways, and the price paid for purchased food. Information is also being obtained about expenditures for food eaten away from home, age and sex of persons eating from household food supplies, their relationship to the household head, the number of meals eaten, and food management practices such as canning and freezing.

Information being obtained on the food intake of individual members of the households includes: The kinds and amounts of food eaten at home and away from home during the preceding day, the time of day these foods were eaten, the place where food not taken from home was eaten, and the cost of purchased meals and snacks eaten away from home.

The data obtained in the survey will provide information about the food consumption of farm, rural nonfarm, and urban families in the four regions, and at different income levels. The nutritive content of food consumed will be computed, and an appraisal will be made of trends over the past three decades in food consumption and dietary patterns in the United States.

The Agricultural Research Service is being assisted in the survey by the Economic Research Service. The data are being collected by a private research firm, under contract with the USDA.

ASSETS OF THE AGED

How successful have the Nation's elderly been in saving for their old age? This is one of the questions the Social Security Administration sought to answer in its 1963 Survey of the Aged, in which a nationwide sample of aged couples and nonmarried men and women was interviewed.¹

About 10 percent of the couples, 28 percent of the nonmarried men, and 26 percent of the nonmarried women among the aged (65 years and over) had no assets (table 1). Only slightly better off were 6 percent of the couples and about 12 percent of the nonmarried, with assets valued at less than \$1,000. On the other hand, a sizable group—40 percent of the couples and about one-half that proportion of the nonmarried—reported assets totaling \$15,000 or more. The median amount of assets held by those reporting any was \$13,000 for couples, and about \$6,900 and \$6,800 for nonmarried men and women, respectively. "Assets," as used here, include deposits in banks and savings accounts; U.S. Savings Bonds; marketable securities; the value of collectible loans to others; equity in a business, farm, or real estate investment; and equity in a home.

Equity in a home represented a large share of the assets held by the aged, and was the only asset some of them owned. When this equity was left out of the count, the proportion with no assets increased to 23 percent for couples and 37 percent for nonmarried men and women, and the median value of assets was reduced to \$6,200, \$4,300, and \$3,000 for the respective groups.

¹ Findings of the 1963 Survey of the Aged: (1) "Assets of the Aged in 1962," *Social Security Bul.* pp. 3-13, Nov. 1964; (2) "Potential Income from Assets," *Social Security Bul.* pp. 3-11, Dec. 1964.

Table 1.—Assets, total and less equity in home, of couples and nonmarried men and women 65 years old and over, by amount, 1962

Amount of assets	Total assets			Total assets less equity in nonfarm home		
	Married couples	Non-married men	Non-married women	Married couples	Non-married men	Non-married women
	Percent	Percent	Percent	Percent	Percent	Percent
All -----	100	100	100	100	100	100
Zero -----	10	28	26	23	37	37
\$1-999 -----	6	12	12	16	16	19
1,000-1,999 -----	5	6	5	8	5	8
2,000-2,999 -----	3	4	5	5	7	6
3,000-4,999 -----	7	8	8	8	5	7
5,000-9,999 -----	16	13	15	11	12	9
10,000-14,999 -----	14	9	9	8	5	4
15,000 or more -----	40	20	19	23	12	11
Median:						
For those reporting -----	\$11,180	\$2,900	\$3,285	\$2,950	\$ 790	\$ 610
For those with assets -----	13,000	6,920	6,820	6,180	4,270	2,950

Data from the survey were used to calculate how much the income of the aged would be increased if it were possible to prorate their assets and the interest they could earn over their remaining lifetime. The asset principal plus interest at 4 percent a year was divided by the expected remaining years of life of the couple or individual. The result was added to the current money income, less whatever amount was being received as income from assets, giving the total "potential income."

Two calculations of potential income were made for each couple and nonmarried person—(1) including equity in the home among the assets prorated, and (2) excluding equity in the home. The latter seems a more reasonable method for general use, for if the home were sold the amount of income needed for housing would increase. Rental costs tend to be higher than ownership costs for a home that is clear of debt, as most of those owned by the elderly are.

Table 2 shows how much prorating their assets and using them up during their remaining lifetime would have increased the incomes of the aged persons studied. (These figures are based on the total number of aged couples and individuals, not just those with assets.)

Table 2.—Median actual and potential income of the aged

Aged unit	Actual income	Potential income	
		Excluding home equity	Including home equity
	Dollars	Dollars	Dollars
Married couples -----	2,875	3,130	3,795
Nonmarried men -----	1,365	1,560	1,845
Nonmarried women -----	1,015	1,130	1,395

The Bureau of Labor Statistics estimates that a retired city couple needs about \$2,500 a year to maintain a "modest but adequate" level of living. About 58 percent of the aged couples could have provided for this standard with their actual incomes in 1963. Another 6 percent could have met it by prorating their assets (other than equity in the house) and adding to their actual income. This would still have left 36 percent with insufficient money to live independently at the BLS "modest but adequate" level.

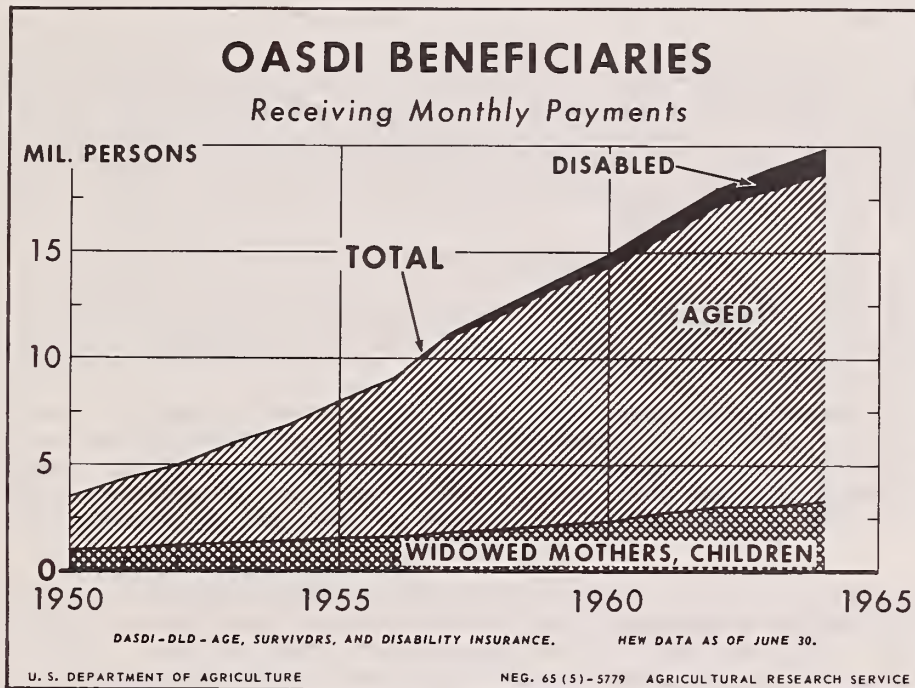
+ OLD-AGE INSURANCE AFTER 30 YEARS \ *

This year marks the 30th anniversary of the passage of the Social Security Act. During the period since 1935 the programs established by the act have been expanded, and new programs have been added. Millions of people have been helped financially through one or more of these programs.

¹ Data from HEW Indicators, pp. S-18, S-19, March 1965.

Undoubtedly the best-known of the social security programs is that providing incomes for retired persons. At first known as old-age insurance, it provided only for retirement benefits for workers in commerce and industry. When a 1939 amendment extended benefits to certain dependents and survivors of these workers, it became old-age and survivors insurance. Now it is old-age, survivors, and disability insurance (OASDI), and covers workers in nearly all kinds of employment and self-employment.

The first monthly benefit checks paid under old-age insurance went out in January 1940. At the end of June that year there were 222,000 beneficiaries, including 147,000 aged persons, 20,000 widowed mothers, and 55,000 children. The number receiving monthly payments under this program has increased steadily, as coverage has been extended to more and more groups, and the number of covered workers reaching retirements age has risen. During the first decade (1940-1950) approximately 3 million beneficiaries were added, and during the second decade (1950-1960) another 11 million (see chart below). By the end of June 1964, a total of 19.8 million persons were receiving monthly payments. Of these, about 15.6 million were aged persons receiving old-age (retired worker), wife's, husband's, widow's, widower's, and parent's benefits; 2.7 million were dependent children of deceased workers; 471,000 were widows with children under 18; and 894,000 were disabled workers.



Monthly benefits paid under OASDI have increased as the general price level and the level of living have risen. Average monthly payments to the various types of beneficiaries in 1940 and 1964 are shown below (no payments were made to disabled workers until 1957):

Beneficiary:	Average monthly benefit	
	1940	1964
	Dollars	Dollars
Retired workers	22.60	77.57
Retired worker and aged wife	36.40	129.40
Aged widow	20.30	66.90
Widowed mother, 2 children under 18	47.10	192.50
Disabled worker, wife under 65, and 1 or more children under 18	—	192.90

—Emma G. Holmes

COLLEGE EDUCATION ON BORROWED MONEY

Although more and more families consider a college education for each youngster to be a part of their child-rearing expenses, many are unable to accumulate the funds necessary. Increasingly, loans are being used to augment what funds they have and what the student can earn from summer jobs, part-time work during the school year, and scholarships.

As the popularity of loans for college expenses has increased, the sources of such loans have multiplied. The individual wanting to borrow would be wise to investigate several sources to find one that gives him the most favorable terms.

The financial aid officer at a college or university—as well as the guidance counselor in the high school—has information about loan programs. Application forms for loans are likely to be available in the student aid office. It is wise to apply for loans the spring prior to the college year in which the funds will be needed.

Information about some of the educational loans available is summarized below.

National Defense Education Act.—Undergraduate students attending a college at least half-time and demonstrating a need for help may borrow up to \$1,000 per year, for a total of not more than \$5,000 borrowed. Graduate or professional students may borrow up to \$2,500 per year for a total of \$10,000.

When the student finishes his education, he has a year of grace before he is expected to start repayment. Annual interest of 3 percent on the unpaid balance begins at that time with up to 10 years to repay. If the student enters the armed services or the Peace Corps, repayment may be deferred up to 3 years and no interest is charged during that time. If the student teaches full time after graduation in any public or nonprofit private school (elementary, secondary, or college level), up to 10 percent of the loan may be cancelled for each year of teaching up to a maximum of 50 percent of the loan.

Nurse Training Act of 1964.—Loans are granted to full-time students of nursing, either entering or presently enrolled, in proportion to need. The maximum that may be borrowed is \$1,000 per year. If, after graduation, the nurse is employed in any public or nonprofit institution or agency, up to 50 percent of the loan repayment may be cancelled at the rate of up to 10 percent for each complete year of service.

Health Professions Educational Assistance Act.—A full-time student in a school of medicine, dentistry, or osteopathy may apply for a loan of up to \$2,000 per year, with no limit to the total amount. Repayment is not expected until 3 years after the student completes his studies. At that time, interest charges at the going Federal rate (now 4 percent annually) begin. Payments are suspended, and no interest accrued, during service in the Peace Corps or uniformed services.

United Student Aid Funds, Inc.—Loan funds for USA Funds, Inc., are provided by commercial concerns and participating educational institutions, but the loans are processed by banks. The college must certify the student's standing and recommend the loan (with parent's or guardian's approval). The student takes the application to a designated bank in his locality where he signs a promissory note for the amount borrowed. Interest at 6 percent annually begins immediately, but repayment of principal and interest is not required until the fifth month after schooling is completed. Most repayment schedules are for 36 to 54 months.

Banks.—Many banks make educational loans "on your signature"—that is, without requiring security. Amounts are borrowed as needed throughout the student's school years. The true annual interest rate is often about 8 percent. Repayment installments start as soon as the loan is made and usually run for the length of the student's schooling or 1 or 2 years beyond.

The borrower may be able to reduce the interest charges by depositing with the loan officer collateral, such as securities, a deed to property, or a life insurance policy.

Federal savings and loan institutions.—Secured, partially secured, and unsecured educational loans are made by Federal savings and loan institutions. Terms of the loans, such as amount, interest rate, and repayment schedule, are arranged by each institution to suit the borrower's needs.

Other loans.—Usually the financial aid office of the college the student plans to attend has information about other loan funds, such as those provided by the college, organizations, individ-

uals, and State and local governments. This office probably can direct students who are dependents or survivors of military personnel to additional sources of funds.

Some parents who can qualify "borrow on their life insurance"—that is, borrow from the life insurance company writing their policies. Others mortgage real estate. Relatively low interest rates make these two sources of funds for college education attractive.

—Martha L. Garrison

FARMERS HOME ADMINISTRATION EMPLOYS HOME SUPERVISORS

The Farmers Home Administration is again providing home management help to many of its borrower families in low-income areas. A newly employed staff of home supervisors will be working out of county offices in 22 States where there are large numbers of low-income farm or rural nonfarm families—including those in towns up to 2,500 population. The women chosen for this job have been trained in home economics or social work or both. A large proportion of them are Negroes, Spanish Americans, and Indians who will work with families in their own ethnic groups.

The home supervisors will give top priority to working with families who have received Economic Opportunity Loans, but will also work with families with farm ownership or operating loans from FHA. They will assist borrower families in making farm and home management plans, and will make followup visits as needed to help individual families to carry out these plans. Major emphasis will be placed on the needs of the children in the families. The home supervisors will see that as many as possible are enrolled in Project Headstart programs, that health needs are met, and that youngsters are encouraged and helped to stay in school. Emphasis will also be placed on management of money and other resources, on home production and preservation of food for family use, on the use of USDA-donated foods, and on improvement of housing. The home supervisors will cooperate with workers in the Agricultural Extension Service, public health, social welfare, and other local agencies concerned with low-income people.

Economic Opportunity Loans were provided for under the Economic Opportunity Act of 1964. They are made to low-income farm and rural nonfarm families for the primary purpose of helping them to increase their earnings. Families may use the loan funds to buy livestock or farm equipment, build and repair farm buildings, and buy and improve farmland. They may also use them to carry out such enterprises as well drilling, roadside marketing, carpentry, trucking, and home production of handicrafts. Loans have been made, for example, to buy a sewing machine so a woman could earn money as a seamstress; to repair and modernize a house so it would pass inspection for use as a boarding home for children; and to establish a home beauty parlor. The Economic Opportunity Loans have a top limit of \$2,500, payable in up to 15 years at $4\frac{1}{8}$ percent annual interest.

By providing management counsel to borrower families, FHA is helping them to make profitable use not only of the loan funds they receive but of their other resources as well.

EDUCATIONAL ATTAINMENT PROJECTIONS TO 1985

The educational gap between men and women is expected to widen in the next 2 decades, giving men a larger lead than before. Census Bureau projections indicate that by 1985 about 20 percent of the men and 10 percent of the women 25 years of age and over will be college graduates (see table).¹ In 1960 about 10 percent of the men and 6 percent of the women had completed 4 or more years of college, and in 1950 about 7 and 5 percent, respectively. The smaller gain forecast for women between 1960 and 1985 reflects, in part, the high drop-out rate for women in the first 2 years of college.

The proportion of men and women with college degrees is highest in the 25-to-29 age group, where most who will complete 4 years of college have already done so. Projections indicate that about 25 percent of the men 25 to 29 years old will be college graduates in 1985, compared with 14 percent in 1960. Corresponding figures for women in this age group are 14 and 8 percent, respectively.

¹ Bureau of the Census, Current Population Reports: Projections of educational attainment in the United States, 1965 to 1985. Series P-25, No. 305 (April 14, 1965).

High school and college graduates in the population 25 years old and over, by sex, 1940, 1950, 1960, and projections for 1985¹

Year	Both sexes		Men		Women	
	High school graduates ²	Colleges graduates ³	High school graduates ²	College graduates ³	High school graduates ²	College graduates ³
	Percent	Percent	Percent	Percent	Percent	Percent
1940	24.1	4.6	22.3	5.4	25.9	3.7
1950	34.3	6.2	32.6	7.3	36.0	5.2
1960	41.1	7.7	39.5	9.7	42.5	5.8
1985	62.5	14.3	61.9	19.4	63.1	9.7

¹ Data from Bureau of the Census, Series P-20, No. 15 and P-25, No. 305.

² Persons who completed 4 years of high school or beyond.

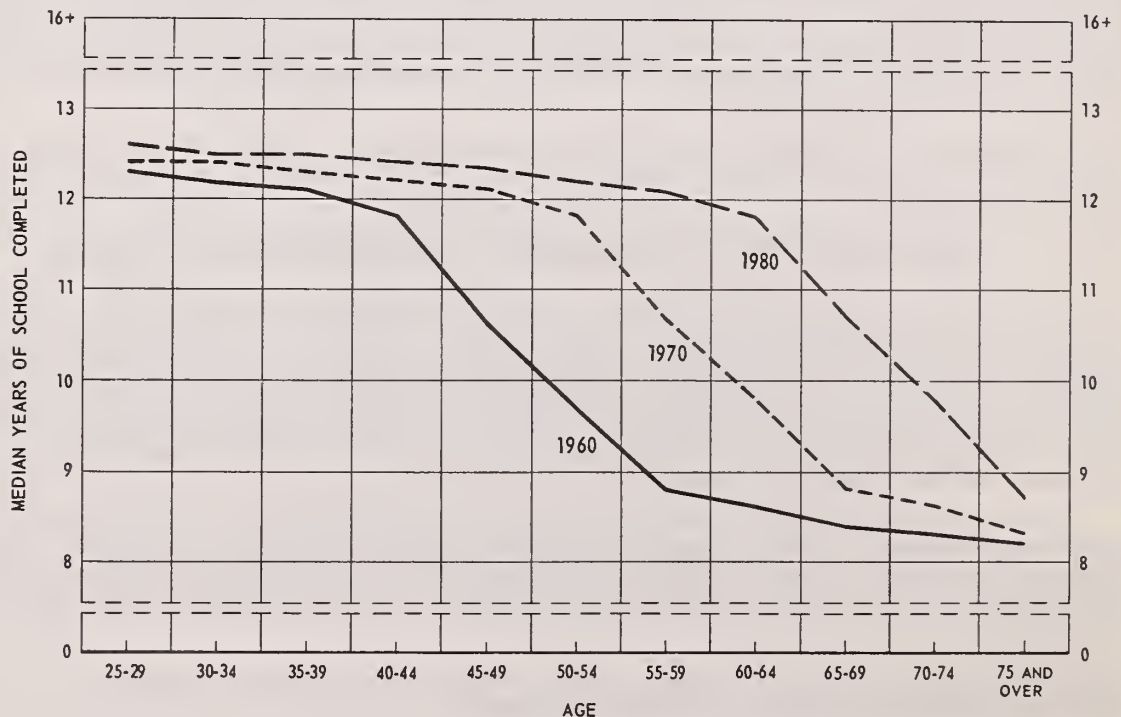
³ Persons who completed 4 or more years of college.

In the past, girls have done somewhat better than boys at staying in school through high school, but boys are improving their record. In 1960 about 43 percent of the women and 40 percent of the men 25 years old and over had completed high school. Projections for 1985 indicate that both will have made much progress, for about 63 percent of the women and 62 percent of the men will be high school graduates.

Increases in educational attainment at these higher levels are expected to be accompanied by a sharp reduction in the percentage of adults with little or no schooling. For example, although about 8 percent of those 25 years old and over had less than 5 years of formal schooling in 1960, only 3 percent will have this little by 1985 if projections turn out to be correct.

The median number of years of school completed by persons 25 and over was 10.5 in 1960, and is expected to be about 12.3 or 12.4 in 1985. This improvement will occur as persons now in the older age groups, whose level of schooling is relatively low, die and are replaced by persons with more education. The chart illustrates this process of increasing median years of educational attainment.

MEDIAN YEARS OF SCHOOL COMPLETED BY PERSONS 25 YEARS OLD AND OVER
IN THE UNITED STATES: 1960 AND PROJECTIONS TO 1970 AND 1980



These projections are indicators rather than predictions of future educational levels. They assume that there will be no unusual political or economic changes and no extreme changes in educational practices that might seriously affect patterns of educational attainment. The figures would probably be very different if, for example, mass programs of free public higher education were to become available throughout the country in the near future.

NEW PUBLICATIONS ON MONEY MANAGEMENT

Three publications on family money management, for use by low-income families, have been prepared by the Division of Home Economics, Federal Extension Service, USDA. The titles are:

- Managing Your Money—a Family Plan. March 1964
- Understanding Life Insurance—for the Family. December 1964
- When You Use Credit—for the Family. January 1965

These 3 publications are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, for 10 cents each. Single free copies may be available from the Agricultural Extension Office in the county where you live.

The Budget Standard Service of the Community Council of Greater New York has updated the cost figures for its "Family Budget Standard" and published them in a manual entitled "Annual Price Survey—Family Budget Costs, October 1964." This manual contains (1) a summary of the changes in the cost of the family budget standard since 1963; (2) revised cost tables for the family budget standard; and (3) retail price lists for the various goods and services included in the budget standard. Copies of the manual may be purchased for \$2.00 from the Community Council of Greater New York, 225 Park Avenue South, New York, N.Y., 10003.

VARIATIONS IN FOOD PRICES IN ONE SHOPPING AREA

A study of food prices in two typical supermarkets in a shopping area serving middle-income families in Greensboro, N.C., has been reported by the Economic Research Service, USDA. To ascertain changes in prices during 3-month and 1-year periods, Tuesday and Friday prices of about 115 items were examined in each of the stores. These items were representative of foods commonly purchased by families. On the average, the prices changed 2.6 times per item during the 3-month period. However, prices of nearly 4 out of 10 of the items did not change even once.

Although fresh products (perishables) made up only one-sixth of the total number of items priced, they accounted for almost one-half of the price changes. Fresh products averaged 7.6 changes per item. Prices of some fresh items changed more than once a week—for example, bacon, ground beef, pork chops, chuck roast, chicken, eggs, sweet potatoes, fresh tomatoes, cabbage, and lettuce. Variation in the price of chuck roast is illustrative of price movements among fresh products. There were only 3 weeks during the year when the price of chuck roast stayed the same Tuesday and Friday and was the same in both stores. Only on 4 other occasions—twice on Tuesdays and twice on Fridays—was the price in the two stores the same. However, the average prices for the year were about the same in both stores—58.2 versus 58.3 cents for Fridays, and 62.2 versus 63.9 for Tuesdays.

The family shopper can tell when to buy by studying the newspaper advertisements. For example, one or the other of the two stores studied advertised chuck roast at "special" prices on 20 weekends of the year.¹ Prices ranged from 33 to 49 cents a pound. If a family purchased 5 pounds each time chuck was "specialized," the bill would have been \$39.30. If they had bought 5 pounds each weekend after the "special," the cost would have been \$23 more, or \$62.30.

To find out how the cost of a family's food would be affected by the choice of a store for food buying, estimates were made of the cost per week of food for a family of four—a young husband and wife and two pre-teenage children. Two market baskets were priced—one representing food in the USDA's low-cost plan, the other food in the moderate-cost plan.² Prices on Tuesdays and Fridays were averaged by month, for the 3-month period.

¹ Unpublished data furnished by John J. Galvin, Industry Economist, Marketing Economics Division, Economic Research Service, USDA, Washington, D.C.

² "Family Food Plans and Food Costs," USDA Home Economics Research Report No. 20, 54 pp. Nov. 1962.

Three estimates of the average weekly cost of these market baskets were made: One for each store, using prices of national brands only for the branded items; and one using the lowest price in either store among national and top-quality store brands. Fresh foods priced were the same for each estimate (see table below).

Estimated cost in two supermarkets of a weekly market basket for a family of 4, at moderate- and low-cost levels, September-November 1962¹

Type of market basket and store	September	October	November	Average 3 months
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Moderate-cost:				
Store A -----	32.02	31.89	32.46	32.13
Store B -----	33.04	31.91	31.40	32.11
Shopping around -----	28.54	28.78	29.17	28.84
Low-cost: ²				
Store A -----	20.63	20.62	20.99	20.74
Store B -----	20.83	20.40	20.35	20.53
Shopping around -----	18.16	18.26	18.64	18.34

¹ Preliminary.

² Quantities used in estimating the weekly cost of the low-cost plan are adapted to food habits of families in the southeastern states.

There was some variation between stores in the average cost of the weekly market basket each month; however, the average cost for the entire 3-month period was virtually the same in the two stores. Hence, if a consumer bought in only one store, it would have made no difference which she patronized. If, however, she patronized both, shopping for specials, she could have cut her bill by about 10 percent.

—Rosalind Lifquist
Consumer and Marketing Service USDA

Cost of Food at Home¹ Estimated for Food Plans at Three Cost Levels, March 1965, U.S. Average

Sex-age groups ²	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2, 20-35 years ³ -----	Dollars 14.60	Dollars 19.50	Dollars 22.60	Dollars 63.40	Dollars 84.30	Dollars 97.90
Family of 2, 55-75 years ³ -----	12.10	16.50	18.70	52.70	71.20	81.00
Family of 4, preschool children ⁴ -----	21.30	28.30	32.60	92.40	122.30	141.30
Family of 4, school children ⁵ -----	24.60	32.80	38.10	106.60	141.90	165.20
INDIVIDUALS⁶						
Children, under 1 year -----	2.90	3.80	4.10	12.60	16.30	17.60
1-3 years -----	3.70	4.80	5.50	16.00	20.70	23.70
3-6 years -----	4.30	5.80	6.60	18.80	25.00	28.60
6-9 years -----	5.20	7.00	8.30	22.60	30.10	35.80
Girls, 9-12 years -----	6.00	8.00	8.90	25.90	34.50	38.60
12-15 years -----	6.50	8.80	10.20	28.30	38.10	44.00
15-20 years -----	6.90	9.00	10.10	29.70	38.90	43.90
Boys, 9-12 years -----	6.10	8.10	9.30	26.40	35.20	40.40
12-15 years -----	7.00	9.60	10.90	30.50	41.80	47.40
15-20 years -----	8.30	11.00	12.60	36.00	47.70	54.50
Women, 20-35 years -----	6.20	8.20	9.40	26.90	35.60	40.70
35-55 years -----	6.00	7.90	9.10	25.80	34.20	39.20
55-75 years -----	5.10	6.90	7.80	22.10	29.80	33.80
75 years and over -----	4.70	6.10	7.10	20.20	26.60	30.90
Pregnant -----	7.40	9.60	10.80	32.10	41.50	46.60
Nursing -----	8.60	11.10	12.20	37.10	47.90	53.00
Men, 20-35 years -----	7.10	9.50	11.10	30.70	41.00	48.30
35-55 years -----	6.60	8.80	10.20	28.60	38.10	44.00
55-75 years -----	5.90	8.10	9.20	25.80	34.90	39.80
75 years and over -----	5.60	7.80	8.80	24.10	33.60	38.20

¹ These estimates were computed from quantities in food plans published in *Family Economics Review*, October 1964. The costs of the food plans were first estimated by using the average price per pound of each food group paid by nonfarm survey families at three selected income levels in 1955. These prices were adjusted to current levels by use of *Retail Food Prices by Cities* released periodically by the Bureau of Labor Statistics.

² Age groups include the persons of the first age listed up to but not including those of the second age listed.

³ Ten percent added for family size adjustment. For derivation of factors for adjustments, see *Family Food Plans and Food Costs*, HERR No. 20, Appendix B.

⁴ Man and woman, 20-35 years; children, 1-3 and 3-6 years.

⁵ Man and woman, 20-35 years; child, 6-9; and boy, 9-12 years.

⁶ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person—add 20 percent; 2-person—add 10 percent; 3-person—add 5 percent; 5-person—subtract 5 percent; 6-or-more-person—subtract 10 percent.

CONSUMER PRICES

*Consumer Price Index for Urban Wage Earners and Clerical Workers
(including single workers) (1957-59=100)*

Group	March 1964	Jan. 1965	Feb. 1965	March 1965
All items -----	107.7	108.9	108.9	109.0
Food -----	105.7	106.6	106.6	106.9
Food at home -----	104.0	104.8	104.8	105.0
Food away from home -----	114.7	116.1	116.3	116.5
Housing -----	107.1	108.1	108.2	108.2
Shelter ¹ -----	108.4	109.9	110.2	110.1
Rent -----	107.5	108.4	108.5	108.7
Homeownership ² -----	108.9	110.6	110.9	110.8
Fuel and utilities ³ -----	107.3	107.9	107.4	107.4
Fuel oil and coal -----	106.1	106.5	106.7	106.5
Gas and electricity -----	107.1	108.0	107.8	107.7
Household furnishings and operations -----	102.8	102.8	102.8	103.1
Apparel and upkeep ⁴ -----	105.3	105.6	105.8	106.0
Men's and boys' -----	105.2	106.2	106.2	106.3
Women's and girls' -----	102.1	101.4	101.9	102.1
Footwear -----	110.7	111.5	111.6	111.7
Transportation -----	108.9	111.1	110.6	110.6
Private -----	107.4	109.7	109.1	109.0
Public -----	118.3	120.6	121.2	121.3
Health and recreation -----	113.1	114.5	114.7	114.9
Medical care -----	118.7	120.6	121.0	121.4
Personal care -----	108.7	110.0	110.1	110.4
Reading and recreation -----	113.6	115.0	115.2	115.4
Other goods and services ⁵ -----	108.5	109.3	109.4	109.5

¹ Also includes hotel and motel rates not shown separately.

² Includes home purchase, mortgage interest, taxes, insurance, and maintenance and repairs.

³ Also includes telephone, water, and sewerage service not shown separately.

⁴ Also includes infants' wear, sewing materials, jewelry, and apparel upkeep services not shown separately.

⁵ Includes tobacco, alcoholic beverages, and funeral, legal, and bank service charges.

Source: Bureau of Labor Statistics, U.S. Department of Labor.

*Index of Prices Paid by Farmers for Commodities Used
in Family Living (1957-59=100)*

Item	April 1964	Dec. 1964	Jan. 1965	Feb. 1965	March 1965	April 1965
All commodities -----	105	105	106	106	106	106
Food and tobacco -----	—	107	—	—	108	—
Clothing -----	—	110	—	—	111	—
Household operation -----	—	109	—	—	110	—
Household furnishings -----	—	96	—	—	96	—
Building materials, house -----	—	101	—	—	101	—
Autos and auto supplies -----	—	103	—	—	103	—

Source: U.S. Department of Agriculture, Statistical Reporting Service.